



## **Request for Proposal to Provide Billing and Collection Services for Emergency Medical Service (EMS) Fees**

### **City Responses to Questions Received in Writing**

1. Q: On page 7 of the RFP, Item IX (B) under "Submission of Proposals", it states that the pages shall be double spaced and a maximum of 100 pages. However, considering the amount of information requested, including 15 pages of attachments, would single-spaced pages, with double spacing between the paragraphs be acceptable? (Such as the layout of the RFP.)

*A: Yes, single spacing is acceptable; however, the maximum number of pages is 100.*

2. Q: On page 9, item C, evaluation of the proposed pricing schedule is weighted at 30%. That suggests evaluating the best value to the City (collections minus fee charged). If a prospective vendor proposes an attractive overall value to the City, but it is not substantiated by experience, will the claim be taken at face value?

*A: City staff will evaluate proposals based on the percentages detailed in the RFP, Section XI. Evaluation Criteria, which includes criteria related to the Respondent's background, capability and relevant experience with EMS fee billing and collection.*

3. Q: For item 4 on attachment B - If a prospective vendor projects an estimated collection rate outside of the 9 month lag time requested (such as after 12 months of collection activity), will that be considered non-responsive?

*A: Respondents must estimate the collection rate based on 9 months collection lag or their proposal could be deemed non-responsive. However, the respondent may include a separate estimate(s) based on a different collection period(s) as supplemental information.*

4. Q: On attachment D, Item 4a, the City requests contracts held for the previous 36 months by size of contracts. Are the levels based on annual billings or total billings over a 36 month period?

*A: Categories are based on the total contract value.*

5. Q: You have provided the payor mix for City of San Antonio. Could you please also include the Charge Mix for the same period(s) of time?

*A: The billable percentages are as follows:*

*Medicaid - 15.11%*

*Medicare - 23.51%*

*Commercial Insurance - 23.72%*

*Private Pay - 37.66%*

6. Q: When was the last time the City increased fees and is the City open to recommendations with rationale as to why this is an advisable situation?

*A: The latest EMS fee increase became effective October 1, 2003.*

7. Q: Can we get the following numbers:

- a. Total Billings for Past 2 years

*A: FY 2002 - \$18,212,765*

*FY 2003 - \$23,023,729*

- b. Total Collections for Past 2 years

*A: FY 2002 - \$8,618,335*

*FY 2003 - \$9,528,032*

- c. Total Contractual Adjustments for Past 2 years  
A: *FY 2002 - \$5,471,632*  
*FY 2003 - \$7,890,285*
8. Q: Do you use Method 2 (bundled charges) or Method 4 (unbundled) for Medicare billing?  
A: *Prior to October 2000, Method 2 was utilized under Medicare's previous payment schedule. The City changed to itemized billing effective October 1, 2000, and began the process to change to Method 4. However, Medicare switched to their new Ambulance Fee Schedule and would not allow any changes to be made. Under the new Ambulance Fee Schedule, neither of the above billing Methods are used for ambulance fees.*
9. Q: What percentage of the transports are coded BLS, ALS and ALS2?  
A: *BLS – 21.3%*  
*ALS1 – 77.1%*  
*ALS2 – 1.6%*
10. Q: What is the average loaded mileage per transport?  
A: *4.7 Miles*
11. Q: Is the billing currently handled in-house or by another EMS Billing Company? If there is an incumbent, please let us know who.  
A: *The City of San Antonio has a contract with Business and Professional Service to provide billing and collection services for EMS fees.*
12. Q: Again, if there is an incumbent and a contract currently in place, please provide a copy of the current contract.  
A: *See attachment for copy of the current contract.*
13. Q: Please provide net collection percentages as defined by net collections/(gross billings-contractual adjustments) for the past 2 years in order to better help us address the collection guarantee portion of the RFP.  
A: *FY 2002 – 63.25% (Average % after 270 days)*  
*FY 2003 – 61.96% (Average % after 270 days)*
14. Q: Please provide total charges (both # of runs and \$), payments and contractual adjustments for 2002, 2003 and YTD 2004.  
A: *FY 2002*  
*Billable Accounts – 72,845*  
*Billable Amounts - \$18,212,765*  
*Contractual Adjustments - \$5,471,632*  
*Payments (net of refunds) - \$8,618,335*  
  
*FY 2003*  
*Billable Accounts – 77,387*  
*Billable Amounts - \$23,023,729*  
*Contractual Adjustments - \$7,890,285*  
*Payments (net of refunds) - \$9,528,032*  
  
*FY 2004 (October 2003 through February 2004)*  
*Billable Accounts – 33,564*  
*Billable Amounts - \$10,411,236*

*Contractual Adjustments - \$1,548,582*  
*Payments (net of refunds) - \$4,044,367*

15. Q: Please explain difference between “competitive process” and “competitive sealed bidding process” as represented on page 2 of the RFP.

*A: The RFP “competitive process” allows the City to consider factors in addition to price as a means of selecting a contractor. Whereas, under the “competitive sealed bidding process,” the contract is awarded to the lowest responsible bidder. The competitive sealed bidding process is not applicable to this kind of contract.*

16. Q: Please provide the standard record layout for the current Case Reporting System. Will the City provide bidders with sample file data?

*A: See attachments.*

17. Q: Does the City have a preferred banking institution for lock box operations?

*A: Yes, the City’s depository bank is Frost National Bank. The successful respondent will be required to utilize Frost National Bank.*

18. Q: For compliance reasons, we suggest the City accept refund request paperwork from the billing vendor and that the City issue refunds – would this be acceptable to the City?

*A: No, the contractor shall issue all refunds and provide the City a monthly reconciliation of refunds issued.*

19. Q: In respect to third party debt collection activity. Will the City consider proposals, which do not support third party debt collection agency activity through a prime contractor or subcontractor role? Will the City allow the billing vendor to exhaust billing efforts as controlled by the vendors proposal and Billing Service Agreement and prepare the uncollected (bad debt) receivables for listing with a collection agency contracted directly by the City? We believe there is an inherent risk for the City to require billing vendors to combine billing and third party debt collection activity. Typically, third party debt collection agencies charge between 30%-50% percent of collections and therefore there is a built in “disincentive” for the billing contractor to collect the receivable at the lesser billing fee to the extent they have a financial interest in the receivable once it is placed with the third party debt collection agency. For this reason we would strongly encourage the City to contract directly with a third party collection agency, in which the billing vendor has no financial interest.

*A: The respondent must either propose utilizing an in-house collection department or sub-contracting with an unaffiliated third party collection agency (approved by the City) or else the proposal may be deemed non-responsive. Additionally, all costs associated with sub-contracting with an unaffiliated third party collection agency are the responsibility of the respondent.*

20. Q: What documentation will the City require from the billing vendor to consider collection (bad-debt) write offs? Does this requirement control billing vendor or third party debt collection (or both) write off activity?

*A: Documentation for uncollectible accounts/bad debt write-offs shall include all collection efforts made by the contractor, including skip-tracing tools utilized to locate*

*patient data. Categories for bad debt write-off are found under Attachment P, Definitions, Uncollectible Accounts.*

21. Q: Does the City require real-time on line access to billing vendor system to access agreed upon City data and reports? Or are the reports and data provided to the City electronically or hardcopy?

*A: Either method would be acceptable to the City.*

22. Q: Is the City interested in billing vendors overall employee benefit and compensation strategy or detailed by employee?

*A: The proposal should include the number and type of staffing to be allocated to this project. Employee compensation by type of staffing should be detailed along with any benefit packages offered to the employees (i.e. health insurance, retirement, etc.).*

23. Q: It is noted that the City desires “screen shots” and report examples. It is anticipated that inclusion of those items will exceed the allowable 100-page response. Will the City permit submission of screen shots and report examples in a separate stand alone binder?

*A: Yes, a separate binder with screen shots, report examples, sample invoices, sample collection letters, etc. is acceptable.*

24. Q: In respect to managing data processed by the previous billing vendor. It is our experience that converting data from a previous vendors system compromises compliance standards and creates reconciliation issues. Will the City consider a bidder unresponsive in the event they do not offer to accept accounts processed by the previous billing vendor?

*A: The respondent must be willing to resolve all unpaid EMS accounts where service was provided prior to October 1, 2004. Failure to accept the terms of the RFP and propose a solution to resolve these unpaid accounts will deem the proposal non-responsive.*

25. Q: Will the City exclude billing vendors from consideration for SBEDA, WBE (etc.) points if certification is not obtained (but applied for) through South Central Texas Regional Certification Agency prior to the bid due date?

*A: The City will consider vendors for SBEDA points if it can verify that certification is being sought from the South Central Texas Regional Certification Agency prior to the closing date of the RFP. Vendors must coordinate this verification process with the City's Small Business Office prior to April 16, 2004; the point of contact is Ms. Anita Uribe Martin at 210-207-3901.*

26. Q: Is patient aid-only estimate (2,690) monthly or annually?

*A: The aid-only estimate of 2,690 is a monthly estimate. The annual estimate of aid-only accounts is 32,280.*

27. Q: Is the RFP & attachments available in word format?

*A: Yes, the RFP and attachments are available in word format upon request.*